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ABSTRACT

One of a series prepared by the Hawaii Newspaper Agency, this teaching guide offers suggestions on using the daily newspaper for consumer education and provides ideas on how to make students consumer conscious through experience gained in the classroom. It sets up problems relevant to students (adult or younger) in their lives outside the classroom and prepares students for coping with the problems consumers face daily, especially in the area of comparative shopping. (RB)

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# USING YOUR DAILY NEWSPAPER FOR CONSUMER EDUCATION

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An educational project of the
Hawaii Newspaper Agency, Inc.

CS 801 676

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MRS. CHRIS LUKENS
Kailua
Intermediate
School

*The exercises and other material in this booklet were compiled by Mrs. Chris Lukens who has taught consumer education both in regular classrooms and to adults in night classes.*

*"Students, whether they are youngsters in the elementary school or adults taking continuing education classes, live in a real world of buying and selling, of taxes and travel, of preparing meals and watching football. This is the world for which we must educate them. The logical 'text' is the only one which reflects this real world - their daily newspaper," says Mrs. Lukens.*

*In this little textbook, she presents some ideas on how to make students consumer-conscious through her other textbook, the newspaper.*

THE NEWSPAPER AND THE CONSUMER

The newspaper is the only daily guide for the consumer.

It's the only material to which he can refer constantly for accurate information on current prices, quality, brands, housing, transportation, services and all the other consumer items which make up his life.

A textbook printed five years ago -- or even one year ago -- can give him general information on what to look for and what to avoid but it cannot give him news on the new packaging laws or tell him in what areas of the state to look for the best buys in housing.

His daily newspaper can and does.

Moreover, it does so for the consumer in all his different roles. Each of us is not only a consumer of products, but also a consumer of services, a consumer of information, a consumer of government. In the latter case, we have frequently let government become the consumer of us, a situation which we must reverse by exercising our own consumer rights.

As consumers of products, we all need to know how and where to get the best buys for our money; which brands are good and which not so good; how much interest we will pay on the money we borrow for a house; the advantages or disadvantages of buying a used car instead of a new one; how the hamburgers at one place compare both in price and quality with those at another; which movies are worth paying for and which are not. And so on.

This kind of information is in the newspaper every day.

Comparison shopping is possible through careful study of the advertisements; national and local columnists carry up-to-date information on a huge variety of topics and products; articles warn the reader of consumer traps; banks and loan companies spell out their policies in stories and their interest rates in ads.

But, if the consumer is to benefit from this vast amount of information, he must be encouraged to read and analyze his daily paper. This is not difficult. It simply takes an awareness of the wealth of consumer information the paper contains and the interest to look for it and think about it.

Any teaching of consumer education is based on the concept that education is preparation for life.... for getting along better in the community. This booklet is based on the concept that the daily paper is the best, most current, most interesting textbook for the consumer of whatever age.

It will be helpful if the student is given some information about the newspaper itself -- the role of advertising, how news is gathered and how the paper is produced. This background information will help him make better judgments about the material he reads.

He should learn to notice and read the fine print in some advertisements; to judge the competence of Sylvia Porter against that of any other consumer reporter; to understand why political (and other) advertising uses figurative language; to know the difference between fact and opinion.

He should also be aware that, as a consumer, he has redress against illegal or unethical practices. The newspaper frequently carries information which will help him.

This booklet deals primarily with the consumer of goods. It sets up problems relevant to the student (adult or younger) in his life outside the classroom. It prepares him, in other words, for the "real world".

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Have the students pick an item and cut out or record its advertised prices at various stores for a month. Be sure quality is similar if item has different distributors. See if certain areas or stores have this item priced higher, lower.

Students pretend to be wholesalers, retailers and customers. See how pricing must do justice to each. See how prices vary with supply and demand. Discuss after game is played as to why some prices went up and some down.

Have students collect articles from the newspaper on food pricing and on current trends. If possible send for out-of-state newspapers and compare food prices. Discuss reasons for differences.

food prices in perspective

sylvia porter

higher meat prices expected by Stein

A-4 Honolulu Star-Bulletin Tue. June 24, 1972

# Dealers Call Food Supplies 'Normal'

By Dianne Coughlin
Star-Bulletin Women's Editor

Hawaii is facing a possible dock strike Monday with significantly lower food supplies than it had before the start of the West Coast dock strike last year.

In the majority of cases, retail grocers, wholesalers and brokers contacted by the Star-Bulletin said their stockpiles were either at "normal" levels or above normal but well below the level they had before the West Coast strike.

Consumers are also taking a low-keyed attitude toward the threatened strike. Grocers say there has been no significant hoarding although Times Supermarkets reported a mild run on rice.

We haven't stockpiled as much as last time we have enough for a month," said George Miura, Times operations manager. "Last time we had enough for two to three months."

Alister B. MacDonald of MacDonald & Porter Inc., one of the state's biggest rice importers, said, "We have not brought in extra rice in anticipation of a strike."

THE MANAGER of another major brokerage who asked not to be identified said his company has only a normal 90-day supply of food on hand. Before the West Coast strike it had between a three and four months supply.

Robert Hanaoka, general manager of Consolidated Corporation, a giant food wholesaler, said, "We have not had sufficient time to stockpile. We have more stocks than normal but not as much as last time."

It is clear from their conversations that many of the food industry leaders did not think there would be a local dock strike — an opinion which appears to be based more on hope than any inside knowledge.

WE WON'T hoping things would be settled before any strike was called," said Miura. "We're still hoping."

We didn't anticipate a strike," said Jack Cavaliero, district manager of Safeway Stores.

Cavaliero estimated his stores have between three and four weeks supplies on hand. Before the West Coast dock strike it had five to six weeks.

Economists have also played a definite role in the decision not to stockpile this time around.

One after another food executives say stockpiling around ten years to them is the last strike.

That strike of course was complicated by a 90-day price freezing during which time merchants could pass some of their new higher costs on to consumers.

EVEN THOUGH the freeze is gone wage controls remain and some food executives appear unsure of what the Federal Price Commission might have in store for them.

What they are sure of is that big stockpiles are a wasted effort if a strike ends quickly — which this one might be — even get started.

And if the strike goes on for a long time, some of the stockpiled foods will spoil or become insect infested, rice is prone to do. That is especially critical in the summer when temperatures soar in warehouses.

So faced with the unpleasant knowledge of what big stockpiling means the food industry is also all the more of the hope crossing it out and hoping the strike doesn't materialize.

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Have students get grocery prices in market ads for Mainland shipped items. Compare these with local items, when available. Discuss reasons for price differences.

NEW ZEALAND
**FLANK STEAK** .... lb. 1.05

SLICED
**BAR-B-Q MEAT** . lb. 1.39

MAINLAND
**SPARE-RIBS** ..... lb. 69¢

**U.S.D.A. CHOICE**
**GROUND BEEF**
Ground FRESH several times a day
NOT MORE THAN 25% FAT LB. 85¢

**SPENCER STEAK** 2.45 LB.

Pick several food ads and compare prices for the same items at:

a. A large chain store
b. An independent store
c. A small neighborhood store
d. A discount store

Discuss possible reasons for differences in prices.

**CREST** Tooth Paste Family 1.09 Value ..... 69¢
**Prell Concentrate** Super 2.15 Val. ... 1.09
**LIQUID PRELL** Imperial 1.99 Value ..... 79¢
**Anti-Perspirant Deodorant** Secret 4 oz. 1.39 Value ..... 39¢

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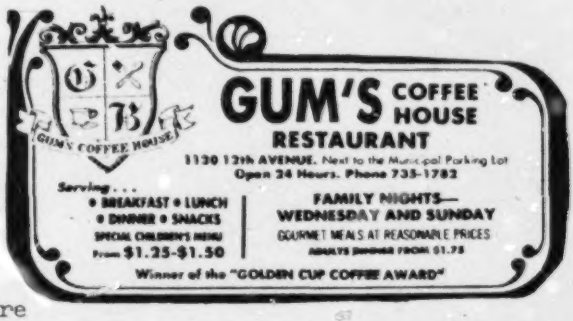
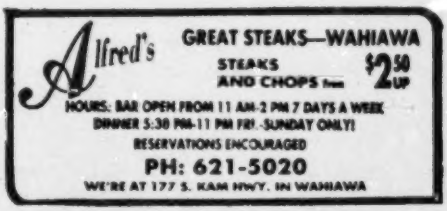
Keep track of a few food items that seem overpriced over a period of one to three months. Figure percentage of the rise in price. What can you as a consumer do to help halt an inflationary rise in prices?

Look in the restaurant ads in your newspaper. Check the prices for a certain meal in one or more of them. See what is served and figure the cost of that meal for four persons.





Alfred's
GREAT STEAKS—WAHIAWA
STEAKS AND CHOPS from $2.50 UP
HOURS: BAR OPEN FROM 11 AM-2 PM 7 DAYS A WEEK
DINNER 5:30 PM-11 PM FRI.-SUNDAY ONLY!
RESERVATIONS ENCOURAGED
PH: 621-5020
WE'RE AT 177 S. KAM HWY. IN WAHIAWA

Now, clip ads for those same foods in retail groceries. Decide what amounts to get and figure the cost of feeding those four people at home. Don't forget to add tax to what you buy in the grocery store as well as tax and tip to the restaurant expense. Discuss which is more economical. (Some students will come up with the fact that there will be part of some items left over when grocery shopping and other meals can be figured out of it.)

SLICED
1/4 LOIN ..... lb. 99¢
CENTER-CUT PORK CHOPS ..... lb. 1.29
PORK ROAST ½ LOIN ..... lb. 99¢
LOIN END PORK ROAST 2½ lb. Avg. ..... lb. 89¢

CHUCK STEAK U.S. Good ..... lb. 85¢
TOP ROUND STEAK U.S. Good ..... lb. 1.39
RIB ROAST (Small End 1.29 lb.) U.S. Good Large End ..... lb. 1.19
FAMILY STEAK for London Broil U.S. Good ..... lb. 1.49
RIB STEAK U.S. Good ..... lb. 1.29

Check your grocery ads for brand names in foods. List different brands and compare ads for that brand as against other brands. Are prices different for the same item in various brands? Why? (Students will come up with several reasons -- have them research into brands -- check grocers, etc.)

CHASE & SANBORN
**COFFEE**
3 lb. can 2.29

**SWANSON CLEAR BROTHS**

BEEF OR CHICKEN
13¾ OZ. CAN
6 FOR $1

## Nectarines

29¢ lb.

CALIFORNIA U.S. NO. 1
**NECTARINES** ..... LB. 49¢

NECTARINE
U.S. No. 1 ..... lb. 39¢

Have students do comparative shopping from grocery ads. Check the weekend specials at different stores as against the regular weekly prices.

Plan a meal, figure the cost at the weekend special prices and at the regular weekly price. What would they save in menu-cost if they bought on weekends?

HAWAII GRADE A
**CUCUMBERS** ..... LB. 19¢

CALIFORNIA U.S. NO. 1
**HEAD LETTUCE** ..... LB. 23¢

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As consumers, students should be aware of seasonal foods that can be used in family meals. Some of these items are often cheaper during season and can be used at that time to save on the food budget. Others are more expensive if not grown in the area. Check the newspaper ads for seasonal items, both low cost and high cost, when in season. Discuss how they can be best used.

**CORN** ..... 8's **69¢**

YELLOW PEACHES
U.S. No. 1
39¢ lb.

U.S. NO. 1—RIPE & FULL OF FLAVOR

**WATERMELON** ..... each **1.19**

U.S. NO. 1—CALIFORNIA FINEST QUALITY

**CANTALOUPE** 36's ..... **3 for 99¢**

Find ads for large appliances such as television, refrigerator. Find the percentage of interest charged per month (often in small print at bottom of ad), multiply by twelve and figure the yearly rate. Add these charges to the total price to get an idea how much will really be paid if one buys on credit.

**18 CU. FT. 'No-Frost' Refrig.-Freezer**
Compare At $469.
**Only $359**

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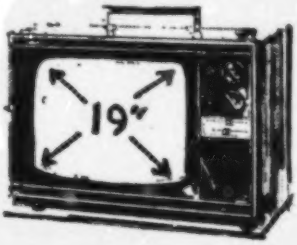
Collect as many ads as you can for a major appliance over several weeks. (Each committee or group may take a different item to make it more inclusive). Have the groups make oral or written reports on price variations, terms available, quality and consumer need. Include large chains as well as large and small independent appliance dealers.

**TOSHIBA & Packard Bell**
**19" Port. Black & White TV**

**Anniv. SALE FROM $ 109.**



Collect ads by appliance firms that are competitive in your town. See if their prices remain fairly constant or if fluctuations occur due to specials, sales, etc. If so, how long does it take before the competition's ads also change prices? Discuss.

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Compare prices for foreign-made appliances and similar American-made items. Are prices similar or is there a wide variation? See if you can find out why. Don't forget to check quality in comparing prices.

HITACHI 18" 16"

CSU790

EXTRA SPECIAL

PRICED FOR THIS SALE TO SELL!

APS-AFC-SOLID STATE
5 YR. WARRANTY ON TRAN
2 YR. PICTURE & PARTS
1 CARRY FREE LABOR

SANYO

18" COLOR

5 YR. WARRANTY ON TRANS
2 YR. PICTURE TUBE
2 YR. ON PARTS
1 YR. FREE CARRY-LABOR

SANYO 15" COLOR

EXCEPTIONAL LOW PRICED THIS WEEK

SAME WARRANTY

Admiral.

SUPER-BRITE TUBE

20"
23"
CONSOLES

PRICED TO SELL FROM

$329

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Given a certain sum (e.g. $3,500 or $4,000), students must furnish a house (e.g. 2 bedrooms, 1 bath) from the newspaper ads. Each student or committee will make a scrapbook with a page or two for each room. Cut out the ads for each item needed, add any sales tax and be sure not to go over the amount given to spend. (The sum given should force some bargain shopping and the amount given should take into account the area and cost of living index at the time.)

Clip from your newspaper ads for work-saving or time-saving items. Discuss in your committee which ones you feel are worthwhile and which ones, if any, are possible gimmicks.

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From home ads in your newspaper clip out pictures and floor plans. (Good for committees and groups) Find one you think you would like. Clip the ads for furnishings you think would go well in each room. Keep in mind the wall space, windows, doors and access to different areas within the room. Watch prices and furnish as inexpensively as you can. Compare and discuss with other individuals or groups as to what plans and furnishings they chose. Who has been more economical?

Keep a scrapbook of ads for various things (e.g. appliances, clothing, food, recreational equipment). Check the variety, cost, standards. Have students discuss the facts listed on these items as well as advertiser claims and costs. Which would they consider worthwhile buying after careful scrutiny?

The ads for new homes or apartments are numerous in the newspaper. Have students find one in a price they feel is reasonable. Check the down payment, terms, length of loan and figure how much they would pay over the time in interest, possible rise in price, tax deductible items. If you can, have a real estate person visit class and explain. Have students ask questions regarding their particular choice of ads.

Word went around so fast . . . everybody's been talking about The Banyan Tree Plaza. We couldn't be more pleased. Not only have they talked . . . they've bought! To most, their motives for buying have been a culmination of reasons: the serene residential setting that encompasses The Banyan Tree Plaza . . . its nearness to schools, service facilities, stores, and minutes from Ala Moana Center and Waikiki . . . the magnificent views each Banyan Tree Plaza apartment offers . . . the spaciousness of each 1, 2 and 3 bedroom unit . . . their design, their luxurious features and furnishings and topping it off, the recreational roofdeck, swimming pool, security system and parking.
All this, and overall, the convenience of carefree condominium living. It's no wonder, the buy-word is The Banyan Tree Plaza.
80% Financing with a 30 year term will be provided by TERRITORIAL SAVINGS AND LOAN ASSOCIATION.
Model open daily, 10 am to 6 pm. A fully furnished model is on view and also miniature scale models to depict each apartment's floor plan.
Punahou Street
CENTRAL UNION CHURCH
Beretania St.
King St.
Kalakaua Ave.

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Over a period of time check the newspapers for advertisements about a new or improved product. (e.g. furnishings, appliances, products for personal use). Compare the prices advertised with prices for similar items that are not "new". Check the prices for the new item in a few weeks. Has it gone up? Down? Why? Discuss.

As consumers, the students are to clip ads in newspapers which give information that is helpful to the buyer and compare with ads that are bent on just selling the product. Have groups discuss why they would pick some items advertised instead of others.

# UNBEATABLE VALUE!!!

**A huge shipment of affordable bedroom suites have just arrived and are priced at savings you just can't miss! All pieces are in beautiful pecan finish and high pressure laminated to resist scratches and stains!!**

You wish to buy a car. Check the ads in the newspaper for new and used cars. Decide which car you want. Find the financial charges, interest, etc. See how much you would pay if you financed it, both new and used, the license and other charges. Add these charges to the advertised price and see what the actual cost would be.

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As a consumer you probably keep up with some styles in fashion. Find some ads for men's or women's apparel that have recently come into favor. How do these trends affect the buying public? Can you find some that seem to be popular and some that have not caught on? Does this affect the pricing? The buying? Discuss.

Give students a certain sum with which they are to plan a wardrobe for school, work or home. Have them cut the ads for these items from the newspaper and list where they would wear them. Discuss in class as students will need to justify buying a certain article if fellow students question it.

Have students pick a job they would like to have from the classified ads. Then find ads for clothing they think would be suitable for that job and pick a 5-day wardrobe. Discuss their choices in groups.

SALES CLERKS

PROJECT ENGINEER/ ESTIMATOR

Architectural Draftsman

BOOKKEEPER

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Women's clothing styles were once wholly dictated by the European designers. In the last few years women have been questioning the products of the fashion dictators and have become more discriminating about what looks well on them and what does not.

Find some ads in the paper that show styles you feel would look well on you; some that would not. Also find articles in the family section about new trends designers are styling for spring or fall. Which ones would you select?

Check the ads for fabrics in your newspaper. Which kinds are advertised the most? Is it because they appeal to the seamstress due to innovations, such as being machine washable, perma-press? Make a scrapbook of as many kinds of fabrics advertised and reasons given for their use. Pick the ones you would buy, give reasons why.

**10% OFF**
Our regular price

**DOUBLE KNITS**
Yarn dyed, textured. 4 tones, jacquards, prints. All machine washable and 60" wide. Regular 5.99 yd.

yd. **3.88**

**TARTAN PLAIDS**
*58"-60" Wide. 100% Acrylic. Machine Wash & Dry.*
Reg. 5.95 SALE 2.99 yd.

**HAWAIIAN PRINTS**
*44"-45" Wide. 100% Polyester.*
Reg. 2.25 and 3.49 SALE 1.25 yd.

**PRINTED QUILTED FABRIC**
*44"-45" Wide.*
Reg. 3.95 SALE 1.99 yd.

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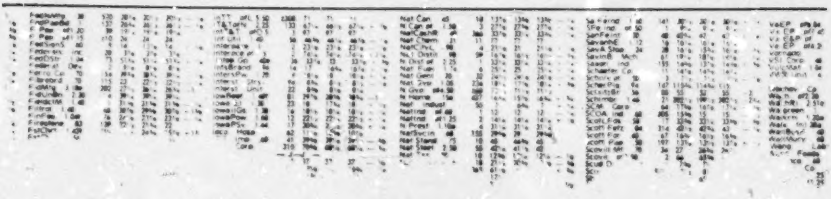
# complete new york stocks



You have $100.00 to buy some stock. Watch the market fluctuations in the newspaper and decide which one you would buy. Then graph its fluctuations over a two week period and sell it the following week. Was it a steady stock or did it fluctuate a great deal? Discuss. In computing loss or gain don't forget the broker's fees.

# 'Should I Sell Now or Wa

By Sam Shulsky

**Q. I've been in the market for the last 10 years and have never made big profits. I changed brokers three times and have now wound up with a loss of $15,000 out of $25,000 invested. I have five stocks left. I don't need the funds now. I just want to get out of the market. Should I sell out now or wait.**

A. There are lots of ways to lose money in the stock market. If you had gotten sufficiently excited over the A.T.&T. split in April, 1964, and jumped into the stock at 75 you would have a loss of about 40 per cent of your money today — even in that A plus blue chip.

And when you jump in and out of warrants and highly speculative commons, and scurry from broker to broker, you are really asking for trouble. I am not going to list your stocks here, nor am I in any position to tell you whether to take your losses now or hope for recovery.

I will say that your decision to get out of the market makes a lot of sense. Even without knowing your full story, your record as a speculator is not inspiring, and the tone of your letter indicates that you have no intention of forsaking your speculative ways.

• • •

**Q. I'm worried about a mutual fund my daughter bought. Is it safe?**

A. You've given me the name of a mutual fund organization that sells no less than seven different funds. And they range all the way from aggressive speculative stocks to conservative bonds.

• • •

**Q. I'd like your list of growth stocks.**

A. And I'd like a stamped, self-addressed envelope in which to mail it to you.

• • •

**Q. I'm thinking of putting $20,000 into a mutual fund and withdrawing $100 a month until I receive my Social Security in four years.**

A. A $20,000 investment in a mutual will — going by the "book" — support a $100 a month withdrawal. I repeat that's according to the book. In good years, the fund can make that 6 per cent annual dispersal and still increase the value of the investment. In poor years, even a 6 per cent withdrawal may cut into your holdings.

If you take $100 you can be pretty sure that you will be drawing down your own money for part of that sum. How much capital you will consume in four years, I can't even guess.

• • •

**Q. I have just received an offering sheet for an 8 per cent bond being issued by a religious organization in which I am interested. Is it safe?**

A. I have no way of knowing, but you should look to the reputation of the underwriting banker and/or the rating given the bond by one of the standard rating agencies.

• • •

**Q. We are retired, 65, with $60,000 in AAA bonds, $6,000 in blue chip commons and $135,000 in savings. How would we get more income? Should we buy more bonds? Would you suggest 7% per cent second mortgages?**

A. With high-quality bonds today yielding 7½ per cent, I would suggest that route for more in as much kept in ble cash.

With a resources, to advise th which may a ond mortgage could evaluate mortgages you which I woul tempt. A seco let's face it, mortgage. Yo restricted yo q u a l i t y Why then er second

Collect articles by financial editors in the newspaper. As in editorials there will be fact as well as opinion. Mark where facts are stated and where opinions are stated. Does he have a right to give his opinion about certain markets? Discuss.

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Make a graph so that you can chart the daily activity of at least 5 stocks in the financial page over a period of two weeks. If there is fluctuation in certain companies, find and discuss causes (e.g. interest rates, political elections or trends, deaths of important persons).

Find newspaper ads about cosmetics. Check their claims. Find ads for similar items with less exaggerated claims and compare costs? Discuss what buyer is paying for (e.g. some claim to remove wrinkles in a short time, make you look younger).

Find ads for medicines that claim to cure or relieve aches, pains, or other physical problems. Check with your doctor on these. Make reports on the claims. Are they within the law? Explain.

Given a take-home pay of $_____ (teacher figures amount so necessary utility bills and rent will be covered). Have students find a rental in the newspaper ads and figure percentage of utility costs as well as car and food expenses (can figure cost of one day's menu from grocery ads and multiply by 30 for approximate monthly food cost) and any other monthly expenses the students decide on. See that they do not go over income. A lesson in budgeting can go along with this as students see necessity.

"We collored the market."

# Stock Market Pulls Ahead in Reaction

NEW YORK (AP) — Prices forged substantial gains in today's stock market, although they slipped back a little at the finish. Trading was moderate.

At the close, the average of 30 Dow Jones industrial stocks was up 4.81 at 933.47.

There were no major economic or international developments to stimulate investors, but analysts said that with the help of some glamour stocks the market pulled ahead in a reaction to Monday's dull holiday session.

The trend was attributed by Newton Zinder of E. F. Hutton & Co. as due "partly to a rebound from an oversold condition and partly in anticipation of good second quarter earnings reports."

Charles M. Lewis of Treves & Co. said another encouraging factor was the scheduled resumption of peace talks in Paris next week.

The most active issue on the New York Stock Exchange was Curtiss-Wright, recently a favorite because it holds North American rights to the Wankel rotary engine. It was up $1\frac{1}{4}$ to $56\frac{3}{4}$.

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# new consumer watchdog?

*Washington Post Service*

WASHINGTON—The Senate voted 69 to 10 yesterday to create a consumer agency with broad power to protect the public from unreasonable risk of injury from hazardous foods, drugs and consumer products used in and around the house.

In preventable accidents, household products alone—ranging from toys to detergents to lawnmowers—annually kill 6,000 persons, permanently cripple 22,000 and injure 4 million, by estimate of the chairman of the National Committee on Product Safety.

**THE PRIME** objection to the bill—easily overcome in the Senate but a formidable obstacle in the House—is that an independent agency would administer it.

The Administration wants the administrative power put in the Department of Health, Education and Welfare, building on authority long vested in the Food and Drug Administration.

To make the agency independent would be to "keep bureaucratic pressure and big business out of the process of decision-making in this vital area," Sen. Warren G. Magnuson, D-Wash., the principal sponsor, said. To put it in HEW would be to continue "the traditional foot-dragging we've seen so much of" the Commerce Committee chairman added.

**THE RANKING** committee Republican, Sen. Norris Cotton, N.H., sponsored an amendment to make HEW the administrator. Representatives of the pharmaceutical industry, which the FDA regulates, lobbied for the amendment just before it was voted on. It failed, 32 to 51.

A bill reported Tuesday night by a House Commerce subcommittee contains provisions similar to the defeated amendment.

That bill, sponsored by the subcommittee chairman, Rep. Paul G. Rogers, D-Fla., confused the situation in the House. There, a vote is to be taken soon on a measure that, like Magnuson's, would set up an independent product safety agency while leaving authority over food and drugs with the FDA.

**THE MEASURE**, recently reported by the full House Commerce Committee, was sponsored by another subcommittee chairman, Rep. John E. Moss, D-Calif.

None of the product safety legislation is directly related to separate pending legislation to set up an independent consumer advocate empowered to intervene in Federal Court and administrative proceedings. The House passed one such bill last year; another is pending in the Senate.

As proposed in the Magnuson bill, the safety agency—run by an administrator and one commissioner each for food and nutrition, drugs and other products—would have a mission to move swiftly against unsafe products in the marketplace. Consumers would have the right to seek to force the agency to act should it fail to do so. It would combine in a single unit what Sen. Charles H. Percy, R-Ill., called the present "piecemeal pablum."

Have students make a scrapbook individually, by committee or by class. Collect all articles by consumer watchdogs. Then have class debate or have panel discussion about any particular information that interests the students. Have them get as much information on this as they can through local newspapers as well as newspapers from other areas if available.

Find some news items concerning inflation in this country. Discuss possible cause and effect. As a concerned consumer can you and/or your committee come up with some suggested ways of halting it?

# panel starts work on housing laws

WASHINGTON (UPI) — The House Banking Committee begins today an effort to decide how to control dishonesty and shoddy workmanship in the building and real estate industries, and whether to tighten laws governing public housing tenants.

With most of the nation's housing laws at stake, the committee begins consideration of the Omnibus Housing and Urban Development Act of 1972 which would rewrite Federal codes on public housing, settlement costs and kickbacks, FHA credit, community grants and even urban mass transit.

There are hundreds of technical changes that have brought special interest groups swarming to Capitol Hill.

Republicans, who oppose many of the changes in the bill as rewritten by the housing subcommittee, are ready to propose up to 91 amendments in the closed markup session of the full committee.

**THE PROCESS**, to be interrupted Friday by a two-week congressional recess for the Democratic national convention, should take weeks. The Senate has passed similar legislation.

One of the most controversial sections of the bill would force builders of FHA-approved homes and apartments to guarantee them against defects for three years instead of the present one year. Rehabilitated housing would have to have a one-year warranty.

This section — and one requiring HUD to certify that an insured property meets all health and safety laws and is free of defects — is designed to prevent dishonest builders from making only cosmetic repairs to a home, selling it at an inflated profit and skipping out before it begins to crumble.

**THE HOUSING** subcommittee bill also would outlaw kickbacks in real estate settlements involving federally-related mortgages; direct HUD to set maximum closing cost guidelines; force advance disclosure of the full amount of closing costs and the previous sale price of a house, and take other steps to protect home buyers.

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# British Float Pound; Money Markets Close in Confusion

LONDON (AP) — The British government set the pound sterling free today to find a new rate of exchange without government support.

The surprise action plunged European money markets into confusion, started a run on the U.S. dollar and jumped the price of gold more than $2 an ounce.

The British Treasury closed the London foreign exchange market until Tuesday. The Common Market government's closed their exchanges at least for today. But before the Frankfurt market shut down, the dollar plummeted to its floor of 3.15 marks.

Markets were open in Switzerland and the dollar made a sharp drop in Zurich to 3.72-3.74 Swiss francs.

Clip some articles on the economy of other countries. What is being done to stabilize any fluctuations in exchange rates? Discuss. What is GNP?

Find articles over a period of one month that deal with regulations the government imposes on business to protect consumers. Have panel discussion or committee reports about any particular regulation.

## *Meat Price Controls Considered*

WASHINGTON (UPI) — The U.S. Price Commission is considering slapping a temporary freeze on retail meat prices, it was learned today.

With beef, pork and other meat prices up and expected to continue going higher — and President Nixon considering suspension of restrictions on foreign meat imports — the price group is weighing a one-month freeze.

The action, with obvious political implications in this election year, could come at a special meeting this weekend, possibly Sunday. In advance of the meeting, Chairman C. Jackson Grayson Jr. was polling the members for their views on a freeze.

NIXON MIGHT move sooner. He met with his top economic advisers late this morning. Newsmen were allowed into his office briefly for photographs.

"Don't buy meat," he quipped.

Commission sources said the price commission was disappointed at failure of the Cost of Living Council, which has over-all jurisdiction over economic controls, to act on soaring food prices, especially meat.

The Price Commission has authority to impose controls on foods, including meats, at the wholesale and retail levels. But it has no control over farm prices. They are exempt and the Price Commission has asked that this be removed.

Nixon said yesterday he might temporarily lift import quotas on beef to help curb meat prices that he acknowledged were "beginning to rise again and rising very fast."